

## Message Text

LIMITED OFFICIAL USE

PAGE 01 LAGOS 08226 250746Z

ACTION AF-10

INFO OCT-01 ISO-00 EB-08 /019 W

-----062021 250750Z /17

P R 221550Z JUL 77

FM AMEMBASSY LAGOS

TO USDOC WASHDC PRIORITY

INFO SECSTATE WASHDC 2457

AMCONSUL KADUNA

LIMITED OFFICIAL USE LAGOS 8226

E.O. 11652: N/A

TAGS: BAGB, BEXP, BTRA, NI

SUBJECT: FOREIGN BUYER'S TRIP - NIGER RIVER BASIC DEVELOPMENT

AUTHORITY INTERESTED IN FORTHMOVING EQUIPMENT FOR IRRIGATION  
PROJECTS.

1. NIGER RIVER BASIN DEVELOPMENT AUTHORITY (NRBDA), ONE OF TEN RIVER BASIN AUTHORITIES ESTABLISHED IN 1976 COVERING ALL OF NIGERIA, HAS OFFICIALLY REQUESTED FACILITATIVE ASSISTANCE FOR THREE MAN DELEGATION WHICH PROPOSES TO VISIT U.S., U.K. AND AUSTRIA FROM AUGUST 8 TO 22, 1977. JOHN E. GANNA, ASSISTANT GENERAL MANAGER OF NRBDA FOR ENGINEERING, TOLD EMBOFFS THAT NRBDA CONSIDERING PURCHASE OF PERHAPS DOLLARS 6 MILLION WORTH OF EARTH-MOVING EQUIPMENT FOR USE IN IRRIGATION PROJECTS (BULLDOZERS, EXCAVATORS, DRILLS, ETC.). DELEGATION, OF WHICH HE WILL BE A MEMBER, WISHES TO VISIT MANUFACTURING FACILITIES OF SEVERAL OF MOST IMPORTANT U.S. FIRMS IN THIS INDUSTRY AND ALSO WISHES TO OBSERVE THEIR EQUIPMENT ON THE JOB AT ONE OR TWO MAJOR IRRIGATION CONSTRUCTION PROJECTS IN U.S.

2. EMBOFFS SUGGESTED DELEGATION SHOULD ALSO HOLD DISCUSSIONS WITH US GOVERNMENT AGENCIES EXPERIENCED IN RIVER BASIN AND WATER RESOURCES DEVELOPMENT, SUCH AS U.S. WATER RESOURCES COUNCIL, BUREAU OF RECLAMATION, U.S. GEOLOGICAL SURVEY, ARMY CORPS OF  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LAGOS 08226 250746Z

ENGINEERS, AND VISIT TVA AND ARIZONA SALT RIVER PROJECT. EMBOFFS EMPHASIZED PLANNING AND TRAINING RESOURCES WHICH NRBDA COULD OBTAIN FROM SUCH ORGANIZATIONS, PROVIDED GANNA WITH COPY OF 1974 DEVELOPMENT TRAINING GUIDE PUBLISHED BY AID'S OFFICE OF INTERNATIONAL TRAINING. GANNA APPEARED IMPRESSED AND AGREED ENTHUSIASTICALLY WITH SUGGESTIONS, BUT CAUTIONED THAT BEST TACTIC WOULD BE TO ARRANGE FOR DELEGATION TO VISIT U.S. EQUIPMENT MANU-

FACTURING FACILITIES FIRST SINCE THAT WAS WHAT LEADERS HAD MINDS SET ON DOING.

3. OVER CASUAL DINNER AND DRINKS AT EMBOFF'S HOME, GANNA RELAXED AND TOLD EMBOFF IN CONFIDENCE THAT HE PERSONALLY CONVINCED U.S. EQUIPMENT BEST, BUT CONCERNED THAT U.S. MANUFACTURERS MAY JEOPARDIZE THEIR CHANCES OF MAKING SALE BY INSISTING THAT NRBDA DEAL THROUGH THEIR LOCAL NIGERIAN AGENTS. GANNA SPECIFICALLY REFERRED TO MEETING HE HAD WITH JAMES RAY OF ROME INDUSTRIES DURING AGRI TECH '77 SEMINAR IN LAGOS THIS APRIL, SAYING RAY HAD CREATED VERY NEGATIVE IMPRESSION BY INSISTING BLUNTLY THAT ROME SOLD ITS EQUIPMENT ONLY THROUGH LOCAL DEALER UAC AND WOULD NOT CONSIDER DIRECT SALES TO GOVERNMENT BODIES. GANNA EXPLAINED THAT FOR LARGE ORDERS NIGERIAN GOVERNMENT ORGANIZATIONS REFUSE TO DEAL WITH LOCAL AGENTS AND INSIST ON DEALING DIRECTLY WITH THE MANUFACTURER. REASONS A COMBINATION OF DESIRE TO GET BETTER PRICES AND DELIVERY TERMS, ANTI-PATHY TO BEING COMPELLED TO PAY HIGH COMMISSION MARKUPS CUSTOMARY IN NIGERIA, AND FEELING THAT IT SOMEHOW UNDIGNIFIED FOR SOVEREIGN GOVERNMENT OFFICIALS TO DEAL WITH MIDDLEMEN. GANNA SAID IF U.S. FIRMS FEEL OBLIGED PAY LOCAL AGENTS A COMMISSION, THAT IS UP TO THEM AND CAN BE ARRANGED ON THE SIDE. HOWEVER, PRICES QUOTED TO NRBDA SHOULD NOT SPECIFICALLY REFER TO INCLUSION OF COMMISSIONS.

4. GANNA ADDED THAT NRBDA WILL BE LOOKING FOR HEAVY COMMITMENT TO AFTER SALES MAINTENANCE SERVICE AND TRAINING AS PART OF DEAL. LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LAGOS 08226 250746Z

NRBDA WISHES TO SET UP OWN WORKSHOPS IN AREA COVERED BY BASIN (KWARA, NIGER AND KADUNA STATES, PLUS PART OF NEW FEDERAL CAPITAL TERRITORY). GANNA STRESSED THAT NRBDA MOST ANXIOUS TO AVOID HIGH TRANSPORT COSTS AND LONG DELAYS INVOLVED WHEN BROKEN DOWN HEAVY EQUIPMENT MUST BE TRUCKED ON BAD ROADS DOWN TO MAJOR INDUSTRIAL CENTERS LIKE LAGOS, WHERE IT MUST WAIT IN LINE WITH MANY OTHER PIECES OF EQUIPMENT TO BE REPAIRED.

5. GANNA TOLD EMBOFFS HE THOUGHT STRONG EMPHASIS ON HIGH QUALITY VISUAL AIDS WOULD ASSIST U.S. MANUFACTURERS IN MAKING SALES PITCH TO DELEGATION. WHILE HE IS AN ENGINEER, OTHERS ARE NOT AND WILL FIND THIS APPROACH USEFUL AD TO COMPREHENSION.

6. SUGGEST USDOC CONTACT FOLLOWING MANUFACTURERS (LOCAL AGENT IF KNOWN INDICATED IN PARENTHESES AFTER U.S. FIRM'S NAME): CATERPILLAR (TRACTOR & EQUIPMENT DIVISION OF UAC); JOHN DEERE (R.T. BRISCOE); CLARK (HOLT ENGINEERING); INTERNATIONAL HARVESTER (NIGERIAN MOTORS INDUSTRIES); GM-TEREX; RAY-GO; ALLIS CHALMERS; CASE (LEVENTIS MOTORS); KOEHRING; GARDNER-DENVER; INGERSOLL RAND; HARNISCHFEGER; BARBER-GREENE; BANTAM; GAR-WOOD INDUSTRIES AMERICAN HOIST AND DERRICK, CLEVELAND TRENCHER DIVISION; WARNER-SWASEY CONSTRUCTION EQUIPMENT GROUP; ROCKWELL INTERNATIONAL

CHICAGO PNEUMATIC; AND WABCO. CASE IN PARTICULAR SHOULD HAVE INTEREST IN NIGERIA SINCE IT IS SUBSIDIARY OF TENNECO, WHICH WILL SHORTLY BEGIN PRODUCING SMALL QUANTITY OF CRUDE OIL HERE.

7. GANNA SAID DELEGATION WILL SPEND 3-4 DAYS EACH IN UK AND AUSTRIA, BALANCE IN U.S., AND WOULD PREFER TO VISIT U.S. LAST. SUGGEST THAT IN LINE WITH GANNA'S COMMENT PARAGRAPH 2 ABOVE, ITINERARY BEGIN WITH VISIT TO MANUFACTURING PLANTS IN MIDWEST CONTINUE WITH TOUR OF WATER PROJECTS LIKE SALT RIVER IN WEST AND TVA IN SOUTH, AND END WITH ONE DAY STOP IN WASHINGTON PRIOR TO DEPARTURE. APPRECIATE USDOC WORKING OUT TENTATIVE PROGRAM TOGETHER WITH MAUFACTURERS AND GOVERNMENT ORGANIZATIONS AND FORWARDING TO EMBASSY ASAP.

EASUM

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 LAGOS 08226 250746Z

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 22-Jul-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977LAGOS08226  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770264-0372  
**Format:** TEL  
**From:** LAGOS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770730/aaaaazgg.tel  
**Line Count:** 136  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** cad15b65-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION AF  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 08-Feb-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1780884  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FOREIGN BUYER'S TRIP - NIGER RIVER BASIC DEVELOPMENT AUTHORITY INTERESTED IN FORTHMOVING EQUIPMENT FOR IRRIGATION PROJECTS.  
**TAGS:** BAGB, BEXP, BTRA, NI  
**To:** COM  
**Type:** TE  
**vdkgvkey:** odbc://SAS/SAS.dbo.SAS\_Docs/cad15b65-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009